

1012 Chapel Street #302
New Haven, CT 06511

FTR

February 23, 2015

Insurance and Real Estate Committee
Connecticut General Assembly
Legislative Office Building, Room 800
Hartford, CT 06106

Re: H.B. No. 5193, An Act Concerning Health Insurance Coverage for Gender Reassignment Surgery (in opposition)

Dear Members of the Committee:

My name is Gabriel Murchison, and I am a Connecticut resident and Master of Public Health student at Yale University. **I write in opposition to H.B. No. 5193, "An Act Concerning Health Insurance Coverage for Gender Reassignment Surgery."**

As a transgender person, I know that the cost of gender reassignment surgery is a major burden for transgender Americans. For many, it is the main barrier to getting treatment—and moving on with their responsibilities as workers and students, family members, and community leaders.

As a public health student, I also know that affording health insurance is a big concern for just about everyone. Your goal is to be sure that protecting equal health care access for some people doesn't mean taking it away from others. If covering gender reassignment surgery drove up health insurance premiums for other members, we would have a tough choice to make. Fortunately, it does not.

For example, we can look to the City of San Francisco, which fourteen years ago was among the first employers to expressly cover this care. The city, which was self-insured, was worried that doing so would cost them a lot of money. To cover the cost, they started charging every member an extra \$1.70 per month on their premium. When they added up the numbers five years later, they found they'd paid out less than \$400,000 on 37 gender reassignment claims—and collected an extra \$5.6 million dollars on those surcharges. The City got rid of the surcharge, and started sharing its data with other employers, showing them that this coverage is financially a drop in the bucket. This fact has been confirmed repeatedly by other institutions. At the University of California, for instance, the cost of gender reassignment services has represented just 0.05 percent of total premiums (\$0.20 PMPM).¹

There are three main reasons that removing gender reassignment exclusions is not expensive. The first is that, while being transgender is not terribly rare, we make up a small percentage of the population. That means the total number of claims is small compared to the number of subscribers. Second, these procedures are not as expensive as one might assume. The chest reconstruction surgery I had in December 2014, the only surgery I needed, costs an average of \$8,000 out of pocket. As a graduate student, I can't afford that, but my insurer certainly can. Furthermore, costs will go down as surgeons

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enter the market and insurers negotiate prices. Third, gender reassignment surgeries are the kind of treatment that health insurers dream about, because patients only need them once. These three factors explain why **removing gender reassignment exclusions has no meaningful impact on overall payments or premiums.**

Connecticut's insurers are recognizing that equal coverage is not only fiscally responsible, it's the right thing to do. Aetna, for instance, has ended transgender exclusions in its plans for federal employees. In doing so, it is in line with Medicaid, with a number of private insurance companies, and with the guidance of professional associations, notably the American Psychiatric Association and the American Medical Association. Transgender people pay the same insurance premiums as everyone else, and the health care we need should be measured by the same medical necessity standard. If this bill passes, though, some insurance companies will discriminate against people like me for a small increase in their own bottom lines. There's no other justification.

The Insurance Department has recognized gender reassignment exclusions as a discriminatory practice and a public health problem, and has addressed that problem using its regulatory responsibilities. This bill threatens to reintroduce an unequal and unfair practice. I respectfully request that the Committee give it an unfavorable report.

Yours sincerely,



Gabriel R. Murchison

ⁱ Jody L. Herman, "Costs and Benefits of Providing Transition-Related Health Care Coverage in Employee Health Benefits Plans" (Los Angeles: The Williams Institute, UCLA School of Law, 2013), <http://williamsinstitute.law.ucla.edu/wp-content/uploads/Herman-Cost-Benefit-of-Trans-Health-Benefits-Sept-2013.pdf>.